

## UI/Tax Cuts Index

	<b>Extending Unemployment Insurance</b>	<b>Extending Tax Cuts for the top two brackets</b>
<b>Economic Benefit<sup>1</sup></b>	\$1.60 for every \$1 spent	\$0.35 for every \$1 spent
<b>Total Economic Impact</b>	\$90.26 billion <sup>2</sup>	\$16.02 billion <sup>3</sup>
<b>Americans Affected</b>	More than 6 million <sup>4</sup>	Approximately 4.7 million <sup>5</sup>
<b>Jobs Created per million dollars of total budgetary cost<sup>6</sup></b>	8-19 jobs	1-3 jobs

<sup>1</sup> Multipliers are as reported in Moody's Analytics' Special Report on *The Economic Impact of Tax Cut Proposals: A Prudent Middle Course*, released on September 15, 2010; compiled by Moody's Chief Economist Mark Zandi.

<sup>2</sup> The CBO's preliminary cost estimate for continuing the EUC program through December, 2011, as provided in the "Unemployment-Insurance Stabilization Act of 2010" is \$56.41 billion. Applying the \$1.6 multiplier effect for UI expenditures, the total economic impact is \$90.26 billion ( $1.6 \times 56.41$ ).

<sup>3</sup> CBO estimates that the revenue difference between extending the middle class tax rates and all tax rates is .3 percent of GNP. See Statement of Douglas W. Elmendorf, Director, Congressional Budget Office, before the United States Senate Committee on the Budget, *The Economic Outlook and Fiscal Policy Choices* 26, Sept. 28, 2010 available at

[http://budget.senate.gov/democratic/testimony/2010/Elmendorf\\_EconomicOutlook\\_Testimony\\_92810.pdf](http://budget.senate.gov/democratic/testimony/2010/Elmendorf_EconomicOutlook_Testimony_92810.pdf). CBO projects GDP in 2011 of \$15.26 trillion. See Congressional Budget Office, *The Budget and Economic Outlook: An Update* 78, Aug. 2010 available at <http://www.cbo.gov/ftpdocs/117xx/doc11705/08-18-Update.pdf>. Therefore, the cost in 2011 is approximately \$45.78 billion ( $15.26 \times .003$ ). Applying the \$0.35 multiplier effect for income tax cuts, the total economic impact is \$16.02 billion ( $0.35 \times 45.78$ ).

<sup>4</sup> 6 million people will lose their UI if the program is not extended. This does not take into account individuals who lose their jobs after the UI program has been defunded and have no recourse. It is difficult to project future job losses.

<sup>5</sup> This is the number of tax returns affected as reported by the Joint Committee on Taxation. Available at <http://www.capitalgainsandgames.com/files/Distributional%20Analysis%202011%20Number%20of%20Household%20per%20Income%20Category.pdf>.

<sup>6</sup> See Congressional Budget Office, *Policies for Increasing Economic Growth and Employment in 2010 and 2011*, Jan. 2010, at 18 available at <http://www.cbo.gov/ftpdocs/108xx/doc10803/01-14-Employment.pdf>.